

House Engrossed Senate Bill

State of Arizona  
Senate  
Forty-fifth Legislature  
First Regular Session  
2001

CHAPTER 317

# SENATE BILL 1051

AN ACT

AMENDING LAWS 2000, CHAPTER 164, SECTION 1; RELATING TO LEASE-TO-OWN  
GOVERNMENTAL MALL STATE OFFICE BUILDINGS.

(TEXT OF BILL BEGINS ON NEXT PAGE)



1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Laws 2000, chapter 164, section 1 is amended to read:

3 Section 1. Lease-to-own office buildings; procedures; taxation

4 A. In addition to any other authority, the director of the department  
5 of administration may enter into a lease-to-own transaction with a private  
6 entity for the construction, occupancy and ownership by this state of two  
7 THREE office buildings located on the capitol mall. This transaction may  
8 provide for:

9 1. The lease to the private entity of state property necessary for the  
10 construction of the office facilities and related infrastructure for the term  
11 of the lease-to-own transaction.

12 2. The construction to the state's specifications of the office  
13 facilities and related infrastructure.

14 3. The lease of the completed office facilities and related  
15 infrastructure by the state for an extended term of years.

16 4. The transfer of ownership of the office facilities and related  
17 infrastructure from the private entity to the state on the payment of a  
18 nominal sum at the expiration of the lease.

19 5. The option for the state's purchase of the office facilities and  
20 related infrastructure before the expiration of the lease.

21 6. The private entity's possession of and authority to lease to other  
22 tenants the office facilities and related infrastructure for the remaining  
23 term of the lease if sufficient funds are not appropriated for the continued  
24 occupancy by the state.

25 B. The state property and any improvements constructed by the private  
26 entity on the state property in accordance with subsection A of this section  
27 are exempt from taxation during construction by the private entity and  
28 subsequent occupancy by the state for a governmental activity.

29 C. NOTWITHSTANDING ANY OTHER LAW, THE DIRECTOR MAY ACQUIRE LAND NEEDED  
30 FOR A LEASE-TO-OWN TRANSACTION BY AN EXCHANGE OF STATE PROPERTY WITH THE  
31 ARIZONA POWER AUTHORITY. ANY LAND ACQUISITION OR EXCHANGE MADE PURSUANT TO  
32 THIS SECTION SHALL BE REVIEWED BY THE JOINT COMMITTEE ON CAPITAL REVIEW.

33 ~~C.~~ D. Any lease-to-own transaction under this section shall be  
34 reviewed by the joint committee on capital review before the transaction  
35 takes effect.

36 E. ANY LEASE-TO-OWN TRANSACTION EXECUTED AFTER JULY 1, 2001, MAY ALLOW  
37 FOR THE FINANCING OF COSTS RELATED TO THE ACQUISITION AND INSTALLATION OF  
38 MODULAR FURNITURE THROUGH THE LEASE-TO-OWN TRANSACTION, BUT NO OTHER  
39 FURNITURE OR RELOCATION COSTS MAY BE FINANCED AS PART OF THE TRANSACTION.

APPROVED BY THE GOVERNOR MAY 4, 2001.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 4, 2001.



SENATE CONCURS IN HOUSE  
AMENDMENTS AND FINAL PASSAGE

Passed the Senate May 01, 2001,

by the following vote: 27 Ayes,

1 Nays, 2 Not Voting

[Signature]  
President of the Senate  
[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

1 day of May, 2001,

at 10:54 o'clock A M.

[Signature]  
Secretary to the Governor

APPROVED THIS 4th day of

May, 2001,

at 10:58 o'clock A M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 4 day of May, 2001,

at 4:34 clock P M.

[Signature]  
Secretary of State

S.B. 1051